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C O N F I D E N T I A L SECTION 01 OF 03 SUVA 000309

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SUBJECT: TUVALU ELECTIONS: NEW GROUPING TAKES THE REINS

Classified By: Charge Ted A. Mann. Reasons 1.4 (b) and (d).

11. (C) Summary: Tuvalu's governing coalition of seven independent MPs supporting PM Maatia Toafa was resoundingly defeated August 3. AmEmbassy officer observed the elections and concurs with the general observation that the vote was free and fair. Based on still unconfirmed reports from contacts, the outlines of a new coalition, formed around re-elected opposition MP Kausea Natano, has begun to take shape. A 48-year-old businessman from the capital island of Funafuti, Kausea is a former assistant secretary in the Ministry of Finance. The new grouping, if it holds together and forms the next government, looks to have an overall majority of nine in the 15-member parliament, consisting of four new MPs and five returning Opposition MPs. A rumor emerged from the initial coalition talks that four members of the new and returned Opposition MP group favored switching Tuvalu's 27-year recognition of Taiwan to China. End summary.

Out with the old ...

 $\P 2.$ (C) August 3 elections for a new Parliament in the tiny island nation of Tuvalu -- ten square miles and approximately 10,000 people -- saw the eight-member government of Maatia Toafa largely voted out of office. Only Toafa and Speaker of the House Otinielu Tausi retained their seats. Four sitting ministers were defeated and a fifth chose not to run for health reasons. By contrast, five of seven Opposition members were re-elected. Eight new members of parliament emerged. Seven of Tuvalu's eight main islands (a ninth has only 30 inhabitants and votes with a neighbor island) each elects two MPs, while sparsely populated Nukulaelae, the eighth, chooses one. MPs are beholden to their local island communities for their political survival, and family, clan and island ties are decisive for election. Most contacts and observers attributed the rejection of so many members of the previous government to their failure to deliver benefits to individual island constituencies since the last elections in July 2002.

and in the New

13. (C) Of the seven Opposition members of Parliament -- those MPs not allied to the governing clique -- five were re-elected. On polling day, contacts told us there were groupings within the Opposition camp hoping to form government if the numbers went their way, but no one name emerged as a leading contender for prime minister Indeed, many we spoke to said nearly every Opposition PM harbored

ambitions to become the next PM. Joining the returning Opposition MPs are eight new MPs, not all of whom will be total newcomer to government. Among these are Tuvalu's former governor general, Sir Tomu Sione, veteran diplomat Taukelina Finikaso, the most recent commissioner of police, Willy Telavi, and former Auditor General Lotoala Metia. One newcomer, former high school principal Namoliki Sualiki Neemia, rode to victory when three members of the same family on the island of Nukulaelae, including two-time PM and current Minister of Finance, Economic Planning and Industries Bikenibeu Paeniu, split the votes of family and friends.

A Fair Election with a Blemish

 $\underline{\mathbf{1}}$ 4. (C) Despite the large turnover in parliament, the elections were by all accounts and the observations of Embassy's political officer peaceful, orderly and generally There were almost no spoiled ballots, no challenges by candidates observers, and all results were known within about 10 hours of polls closing. Only one issue slightly marred the otherwise proper running of the elections. Some 30-40 percent of Tuvalu's population resides on Funafuti, but those not originally from Funafuti typically register to vote for representatives from their home islands. Registrations are all publicly posted and any adult of an affected island can challenge another voter's decision on where to register, based on provisions of the national election act. to government officials, in the case of Nukufetau island, half of whose population now lives on Funafuti, more than 100 such challenges were lodged against off-island registrants. The untrained, new local magistrate serving as the responsible "revising officer" on Nukufetau rejected all of the challenges. When asked about this, the national

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supervisor of elections told a somewhat incredulous visiting New Zealand diplomat that he had let the magistrate's rulings go unchallenged, because to do otherwise would have drawn into question the authority of the election process. In fact, the decision lies solely with the revising officer. On election day on Nukufetau, former Prime Minister and sitting Minister for Works, Energy, Transport and Communications Saufatu Sopoanga was defeated for re-election by just 16 votes. According to Tuvalu's public defender, it is possible that Sopoanga may challenge in court the revising officer's rejection of the 100-plus registration challenges.

The New Team - Maybe

 $\P5.$ (C) By Sunday, August 6, nearly all of the elected MPs had made their ways back to the capital from their home islands, trips that take 1-3 days. At mid-morning of the next day, 12 of the new and returning Opposition MPs gathered in an upstairs conference room of Funafuti's only hotel to begin the process of forming a new governing coalition. All men -the two women candidates having failed in their bids -- and
well known to one another, they remained closeted for the remainder of Monday. On the morning of Wednesday, August 9, a number of unofficial sources reported that 46-year-old Funafuti businessman and returning Opposition MP Kausea Natano has emerged as the consensus choice for PM. First-time MP and former Police Commissioner Willy Telavi is said to be the choice for speaker of the House. Minister of finance is likely to be returning Opposition MP Apisai Ielemia; minister of natural resources returning Opposition MP Tavua Teii; minister of works and communications newcomer MP Namoliki Sualiki Neemia; minister of home affairs returning leader of the Opposition Elisala Pita; and minister of health and education Dr. Falesa Pitoi, a dentist. Returning Opposition MP Kamuta Latasi and newcomer Lotoala Metia, of Funafuti and Nukufetau island respectively, will function as backbenchers. There is talk about the new government being sworn in on August 10 or 11. The final line-up could easily change again, and the swearing-in could

be postponed. Ruling coalitions have proven difficult to hold together in the past.

16. (C) A surprising tidbit that emerged from these early discussions, reported to us by the well-informed protocol officer of the Foreign Ministry, was word that four of those involved in the talks to form a new government favor switching Tuvalu's "allegiance" from Taiwan to China. Tuvalu has recognized Taiwan since shortly after independence in 1978, something that Taipei rewards with an annual budgetary grant of 3.5 million U.S. dollars, along with other assistance.

Comment

17. (C) Tuvalu proves the adage that all politics is local. Failure to deliver benefits such as docks, improved roads, better schools, scholarships for promising local students, and a hundred other small favors to ones home island has apparently cost an overly confident government victory at the polls. Contacts also pointed to a widely held belief that the now-defeated group under PM Toafa had lived just a little too well off in far Funafuti. A recent quiet increase in travel benefits for government ministers did not go unnoticed. Tuvalu's cash economy remains moribund, and, in the eyes of those outside Funafuti, too little of the "manna" dropping from foreign aid donors, the country's modest but successful trust fund, fishing licenses, etc. makes its way to the outer islands. Government ministers also waited far too late to hit the hustings, according to contacts, and they arrived on their islands to find their opponents had been there already, spreading their own versions of what the government had been up to. With only a single government radio station, now corporatized and doing its best to be objective, isolated local voters had little to go on in making their decisions. What is clear is that the governing MPs failed to win over and convince voters to return them for another four years. Past elections in Tuvalu, which only became self-governing in 1978, have tended to see big turnovers, too. The newcomers will start their administration without a known political platform. worth noting that they have not included in their number some of the more promising of this term's MPs, such as former ambassador to Fiji and multi-lateral diplomat Taukelina

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Finikaso, nor any representative from the island of Nui. The latter may yet have to be addressed, since a balance among the islands is critical. Other than former Police Commissioner Willy Telavi, the members of the new government are not well known to the embassy or others outside Tuvalu we have spoken with. End Comment.

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